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ABSTRACT

In this background paper, the author provides a brief history of the educational voucher and outlines various suggested voucher plans. Included is a discussion of the plan that was tried at Alum Rock, California, and the plans that were voted on in statewide referendums in Michigan and California. The author provides a list of the pros and cons of voucher plans and then addresses a list of questions that seriously affect the implementation of such plans. The questions cover the areas of school integration, economies of scale, the kinds of alternatives to be made available, and the legal considerations of providing vouchers to parochial and other nonpublic schools. (Author/IRT)

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IN

EDUCATION FINANCE

Paper No. 23

EDUCATION VOUCHERS

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Education Finance Center
Education Commission of the States

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THE VOUCHER CONCEPT

The basic voucher idea is straightforward. A unit of government, either the state or a local unit, provides parents with a voucher to pay for their child's education at the school of their choice. Parents choose schools according to their beliefs about the type of education they desire for their child and their perceptions of school quality. The school redeems the voucher by sending it back to the government in return for a predetermined dollar amount. Under this system, government subsidies flow only to those schools to which parents have decided to send their children. Schools that are unable to attract sufficient numbers of students go out of business.

Currently, our public schools are supported through a combination of tax revenues collected at the state and/or local levels, with a small percentage of total revenues coming from the federal government. This money is allocated centrally through a variety of complex formulas to school districts, and ultimately to individual school buildings, according to their budget requests. A voucher scheme would turn this system around. Although tax dollars would continue to be collected centrally, these funds would be dispersed in a decentralized fashion. Parents, rather than individual schools, would receive this money. Their decisions as consumers of education would dictate which schools are funded and to what extent. School administrators would be less responsive to local school boards and more accountable to their clientele (parents), both for funding and with respect to program design.

Ideologically, the voucher approach is meant to create a

competitive market for schooling. Each family would approach the educational marketplace with equalized resources which have been distributed to them directly from state tax revenues. They would be free to purchase various quantities and qualities of education according to personal preference.

The man first thought to have suggested such a method of financing education was Adam Smith (1778). In 1776, he suggested that government help pay for education by giving parents the money to hire teachers. He reasoned that they were in a far better position to judge the needs of their children than was government. A similar view was put forth some 20 years later by Thomas Paine, who proposed that government give poor families a certain amount of money for each child to be spent on the basic skills of reading, writing and common arithmetic. Paine believed that such a plan would: (1) be easy to implement; (2) ensure competition among schools; and (3) decentralize control of education, countering the prevailing desire of aristocrats to maintain their power by depending on ignorance (West, 1966-67, p. 378).

The modern development of the voucher plan is generally credited to Milton Friedman of the University of Chicago (1962). Friedman maintained that a voucher system in which parents rather than schools are granted government subsidies for the costs of education would be a preferable alternative to the current practice of state subsidy and administration of public educational systems. He argued that its adoption would lead to a series of improvements in the education process. Vouchers would allow for parental freedom in choosing the type of education best suited for their children. Competition among schools would replace the present public monopoly in elementary and

secondary education, and in so doing, would encourage greater efficiency and economy in the allocation of education resources. Finally, vouchers would lead to diversity in the range of school offerings through increased education entrepreneurship.

Under Friedman's proposed voucher system, parents would receive sums of tax monies roughly equal to the cost of educating a child in the public school system. The schools, both public and private, would be required to charge tuition equal to the actual cost of education per student. Schools would compete with one another to attract students by offering programs considered relevant and of high quality. The government's role in education would be limited to the distribution of vouchers and the imposition of minimum education standards at each level of schooling.

A major purpose of Friedman's plan was to allow parents to spend additional funds on their children's education. Under the traditional public school system, parents wishing to supplement their children's education would do so by sending their children to private schools. However, these parents would still be contributing tax dollars to the public schools. Such a system discourages many parents from choosing the slightly more expensive (higher quality) programs found in many private schools. But with a voucher system, schools (be they public or private) can charge whatever tuition the market will bear. Parents who desire the more expensive programs are free to choose them by supplementing the value of their vouchers.

There were at least two major criticisms of Friedman's voucher scheme. One of the most important problems was that the quality of a child's education would still be substantially dependent upon family

income. In a completely unregulated voucher system, such as the one proposed by Friedman, decisions about education spending levels would no longer come from central school authorities, but rather from the parents of school age children. A likely outcome is a more segregated education system along economic lines since poorer families would not have the ability to supplement their vouchers.* Another problem associated with this model concerns admissions policies. Allowing schools to set their own admissions criteria could set the stage for the systematic exclusion of minority group children. These two possibilities were in conflict with the ideal of freedom of choice in education, which Friedman assumed to be a fundamental element of vouchers. But Friedman's was not the only voucher proposal. In an attempt to reduce the adverse effects of his model, a number of alternative models were proposed.

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*In a report by the Center for the Study of Public Policy, Cambridge, Massachusetts, the authors point out that... "an unregulated market could give upper-income an almost unlimited range of potential program options. Low-income families would have a more restricted range of choices, since (a) they could not afford any program that cost more to operate than the value of their voucher and (b) they could not generally hope to find a school where the majority of their child's classmates were from other than low income families."

Alternative Voucher Proposals

Theodore Sizer and Phillip Whitten (1968) proposed a graduated voucher plan often referred to as the unregulated compensatory model. This plan endeavors to protect poor families from the increases in tuition likely to occur in an unregulated market. All families with incomes below the national average would receive vouchers. As family income approached the national average, the voucher would decline in

value. Families with incomes at or above the national average would receive no subsidy. As in the previous model, schools would be free to charge whatever tuition they wished. Sizer and Whitten did not see their proposal as an alternative to the Friedman model, but rather as a supplement to it. Their intent was to give low income parents greater power in choosing among schools.

Another model designed to expand the options of children from low-income families was one that employed a "needs-index" in determining the value of the voucher. A child considered "disadvantaged," would be compensated for this condition by increasing the value of his voucher. This would tend to make such pupils more attractive enrollees since their vouchers would be worth more to prospective schools. Further, the enhanced voucher would compensate schools for the increased costs associated with educating such students.*

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*Some may question whether or not it is or need be more expensive to educate disadvantaged children. Further research with cost-of-education indices may shed light on this issue. Nevertheless, it should be noted that unless schools were required to follow guidelines similar to those attached to ESEA Title I funds, they would probably be inclined to spread the additional revenue generated from disadvantaged pupils across the entire student body.

Professor John Coons of the University of California, Berkeley, advanced what he called the "family power equalizing plan" (Coons and Sugarman, 1971). His plan responds to the desire to have different levels of school expenditures associated with the priorities of parents. Coon's model set four per pupil expenditure categories allowing each school to choose the category in which it wished to operate. Parents would choose from among the various educational

programs corresponding to these expenditure levels. Parents choosing high expenditure levels would be taxed more heavily than those choosing low expenditure schools. However, the tax rate (tuition charge) is related to income so that the effort demanded of a low income family attending a high expenditure school is the same as the effort demanded of a high income family in the same school*

*It should be pointed out that Coons has recently revised his family power equalizing model in hopes of placing it on the 1980 California ballot. This proposal will be reviewed further on.

Dr. James Coleman (1967) proposed what he called the "Achievement Model." Under his plan, the value of a student's voucher would not be determined by the student's economic background, but by the success of the school in educating him. Children could continue in their neighborhood schools supported by local taxes. Yet each child would receive a voucher that could be used in either public or private schools. A school's income would be determined by how much progress its students made over the course of a school year. Part of the program then, was a pay-by-incentive arrangement where parents and students had to be satisfied that certain achievement goals had been met.

The Federal Effort

While a number of voucher models had been proposed in the decade between 1960 and 1970, none of these proposals ever reached the experimental stage. However, the federal government was also interested in vouchers. In 1969, the Office of Economic Opportunity (OEO) contracted with the Center for the Study of Public Policy (CSPP,

1970) to conduct a feasibility study of vouchers. Their report outlined seven alternative voucher plans (see appendix).

The study was conducted under the direction of Christopher Jencks. Realizing the shortcomings of the voucher models which had been put forth, Jencks and his colleagues developed their own voucher system. Although it was based on Friedman's basic policies, the CSPP plan was designed to overcome the handicaps of earlier plans. Jencks regulated compensatory voucher model had the following objectives:

1. To improve the education of children, particularly disadvantaged children.
2. To give parents, and particularly disadvantaged parents, more control over the kind of education their children receive.

Soon after the CSPP report was released, numerous planning experiments were initiated based on Jenck's voucher model. School boards in Gary, Milwaukee, Minneapolis, San Francisco, Rochester, New York and several other communities studied the plan but rejected it.

One school district did agree to go along with the OEO voucher demonstration, the Alum Rock Union School District in San Jose, California. The schools in Alum Rock were in poor financial shape. The K-8 district was a low income community with a population about 55 percent Mexican-American, 12 percent Black and the balance Anglo. The superintendent of schools was concerned that the quality of programs in his school district was weak and that his student population was suffering as a result. The school district needed the influx of resources that a voucher experiment would generate. In addition, efforts to decentralize the school district had already begun and it was felt that a voucher system would facilitate this move.

The experiment began in 1972 involving six schools and some 4,600 students. Each year the project expanded to include additional students and schools. By the final year of the project, 1976-77, the entire district was involved -- consisting of nearly 14,000 students and 21 schools. Private and parochial schools were not included in the experiment because the California legislature was reluctant to pass legislation permitting public funds to flow to such schools.

The results of the Alum Rock demonstration project were mixed. It had been shown that vouchers could be handled administratively. Investigators found that parents were more satisfied with their schools. Education alternatives were expanded, at least to a degree. Contrary to general opinion, teachers -- the profession thought to have the most at stake -- had not suffered in the transition to a voucher program. The project had the result of making professionals more visible and accessible to parents.

On the other hand, observers pointed out that what had initially been conceived as a voucher system wound up functioning more like an open admissions, decentralized school district. Parents could choose from among school programs, but not from among competing schools. And although parents appeared to have been offered greater choice among school programs, their power to influence decisions with regard to such programs, and with regard to school policy in general, had not increased significantly. An Education Voucher Advisory Committee (EVAC) had been created. But this group was purely advisory, having no role in the formal decision-making process. As one observer points out, "parents were neither aggressive nor particularly effective. They took an active role only on matters that directly and obviously

affected them" (Cohen & Farrar, 1977, p. 88).

Finally, analyses of reading and affective test scores, produced inconclusive results. In traditional classrooms, reading scores were found to have increased at a faster rate than in less traditional classrooms . But at the same time, students in less traditional classrooms were scoring higher on affective tests than those in traditional classrooms. It is unclear exactly what effect the voucher project with its "new alternatives," has had on students.

If any single conclusion can be drawn from the federal effort with vouchers, it would very likely be that no single constituency could be developed. Indeed, the idea of vouchers had caught the fancy of intellectuals and reformers. But the wide range of vested interests that came into question when a voucher scheme was considered, often surfaced as an insurmountable barrier.

Evidence of this can be found with federal attempts to implement voucher systems in New Hampshire and East Hartford, Connecticut. In January 1976, the East Hartford School District voted down their proposed plan after two years of study and planning. Two months later, six communities in New Hampshire rejected their plan before it could be tested. This effectively ended any further attempt on the part of the federal government to introduce vouchers as a viable alternative to the traditional public school system.*

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*In 1973, the Office of Economic Opportunity was dismantled. Jurisdiction of federal voucher efforts was transferred to the National Institute of Education (NIE), which proceeded to monitor feasability studies in East Hartford, and New Hampshire. Planning grants were awarded in 1975. Officials had hoped that these projects would provide a true test of the "regulated compensatory" voucher model, since both public and private schools would have been included in these experiments.

Recent Developments With Vouchers

Michigan: An Attempt to Establish a Voucher System

In early 1978, a Michigan organization called Citizens for a More Sensible Financing of Education initiated a petition drive that successfully placed a voucher system on the November 1978 general election ballot. The proposed called for:

1. The legislature to "provide for the issuance of an educational voucher to each child in attendance at public and nonpublic elementary and secondary schools to be applied toward the cost of that child's education in the school of his or her parent's guardians choice."
2. The prohibition, as of January 1, 1979, of any levy of property taxes by local and intermediate school districts for any purpose other than debt retirement.
3. The legislature to "establish a program of general state taxation and a method of distributing funds to support the attendance of students at the elementary or secondary state-approved schools of their choice, and for the support of intermediate school districts, vocational education, special education, and compensatory education purposes."*

The proposed amendment left intact, the existing constitutional responsibility to "maintain and support a free public school system" and the constitutional responsibility of local school districts to educate all of their school-age residents.

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*Proposal H. A Proposal to Prohibit the Use of Property Taxes for

School Operating Expenses and to Establish a Voucher System for Financing Education of Students at Public and Nonpublic Schools. Michigan, November 1978 general election.

This was the first referendum ever to offer voters a chance to approve or reject a "voucher plan" for equal public funding of public and private schools. However, the question of extending state aid to private and parochial schools had been considered in the past. Governor Milliken proposed a degree of financial assistance to nonpublic schools as part of his "educational reform" recommendations of 1969. Subsequent action on the part of the legislature included such assistance in its 1970-71 school aid appropriations.

In spite of this, a 1970 petition drive initiated by the Michigan Education Association eventually led to a constitutional amendment specifically prohibiting any assistance to nonpublic schools other than for transportation and auxiliary services. So comprehensive was the language of this amendment, that a legislative appropriation in 1974 to provide standard textbooks and supplies for nonpublic schools was ruled unconstitutional by the Michigan Supreme Court.*

*Advisory Opinion of the Michigan Supreme Court relative to section 18, subsection 3, of P.A. 242 of 1974.

Apparently, Michigan residents remain strongly opposed to aid to nonpublic schools in any form. In the November election, Proposal H (the voucher proposal) was defeated by a 74 to 26 percent margin. This occurred despite the careful attempts of voucher supporters to frame the issue in a tax reform setting rather than allowing it to be called parochiaid. But had the referendum passed, the effects would have been dramatic. The proposed amendment left to the legislature the

responsibility of developing a mechanism to make the voucher plan work.

If the legislature decided to support and maintain the existing public school system entirely through vouchers, a substantial influx of additional revenues would have been necessary. Legislative analysts estimated that the state would have needed well over $3.95 billion dollars for the 1979-80 school year. This represents an increase of about $2.2 billion, all to be raised through new state taxes. Combined with the estimated $258 million in new aid to nonpublic schools, the true figure would have been closer to $2.4 billion.*

*House Fiscal Agency Estimates: Michigan House of Representatives, Lansing, Michigan, October 1978. These figures were based on an annual inflation rate of seven percent. With inflation currently running closer to 12 percent, even these estimates are modest.

The state probably could have raised the needed revenues, but not from a single source. It would have been necessary to increase both the personal income tax and the state's Single Business Tax in order to replace revenues lost with the repeal of the local property tax. Then too, a small savings might have been realized with the discontinuance of the "circuit breaker" rebate.

There would have been legal implications as well. Any voucher scheme would have been contested in court on separation of church and state grounds. The most recent indication as to the possible outcome of such court action lies in the February 1, 1978 ruling of the U. S. District Court in New Jersey. The ruling declared that a state law providing tax deductions for parents of children attending nonpublic schools violates the U. S. Constitution's First Amendment clause concerning establishment of religion. In May 1979, the U. S. Supreme

Court upheld this ruling (Public Funds for Private Schools of New Jersey v. Byrne.)

Questions of equalization and desegregation would also be raised. There is nothing inherent in a voucher program that addresses these issues, and legal challenges on both fronts may have developed. Pupils in low spending schools unable to travel to schools with higher expenditure levels, might make the case that they are entitled to programs similar in quality to those of the higher spending schools. If children in the Detroit area were denied access to suburban schools (or were precluded access by previous federal court desegregation orders), strong moral, political and legal pressures could develop. All in all, a smooth transition to a voucher program would have been unlikely.

A California Ballot Proposal: "The Family Choice in Education Initiative"

If sponsors can come up with 550,000 to 600,000 signatures on an initiative petition, Californians will have an opportunity to vote in 1980 on a voucher proposal.

Recognizing certain political realities, John Coons and Stephen Sugarman have modified their original voucher plan. Instead of vouchers for everyone, they propose to leave the existing public school system intact. Their plan would create two classes of "scholarship" schools, those publicly owned and administered, and certified private schools. All elementary and secondary students would be eligible for a scholarship, which Coons says could be called a voucher.

Parents not choosing to remain in the public school system could enroll their children in any of the public or private scholarship

schools. Application would be made to the state superintendent of education rather than to individual schools. The schools would reserve the right to set total capacity and limit applications to children of either sex. Where applications to any public or private scholarship school exceed the announced capacity, the superintendent's office will select a percentage of these students to be admitted through a lottery. However, pupils previously attending schools that have acquired scholarship status shall have priority as shall their siblings.

The basic voucher would be worth approximately 95 percent of the comparable cost associated with educating a child in the regular public school system, and would be augmented by the cost of transportation to and from school. These vouchers would also be weighted to reflect higher cost of educating students with special characteristics (handicapped, bilingual, etc.) and for differences in grade level and local cost factors.

The proposed initiative calls for "supplementary scholarships" over and above the free basic grant. Should a particular school decide to spend above the level of the statewide voucher, parents could purchase a supplementary voucher from the state to cover the additional expense. The price of these vouchers would be based on ability to pay. No other form of compensation can be accepted by scholarship schools.

Coons will be among the first to admit that his voucher proposal is intended to bring high spending private schools within reach of a broader student population. Yet he points out that the assignment process of students would prevent such schools from taking the cream of the crop. Uniform standards of procedural due process for discipline and dismissal will be provided to protect the rights of students.

A final feature of the family choice voucher proposal is a state-operated system for providing information about scholarship schools. All schools would be required to disclose information pertaining to their programs. In addition to this, parents would be able to obtain grants to buy the services of education counselors if they felt that state-provided information was inadequate.

The proposed voucher system would go on the ballot in the 1980 election, and would go into effect by July 1, 1982, if passed. The program would be phased in over a four-year period with full eligibility for all students expected by the 1986-87 school year.

General Comments: The Pros and Cons of Education Vouchers

The discussion thus far has outlined a number of voucher plans. It has also described in brief, the federal involvement with vouchers at Alum Rock. Recent proposals to establish voucher systems have been reviewed. This final section will present arguments for and against vouchers. Additionally, this will discuss several issues that are either functionally or effectually tied to any proposed voucher scheme.

Voucher proponents offer a number of reasons why a voucher system would be preferable to the status quo:

-Vouchers would create a competitive market for schooling leading to a more efficient delivery of educational services.

-Vouchers would lead to greater diversity in educational offerings. Greater diversity in program offerings would allow parents to send their children to the schools that meet their interests, needs and tastes.

-The quality of school programs would be expected to improve due to competition among schools for students.

-Inferior schools would go out of business.

-Vouchers might lead to a greater mixing of students along economic, intellectual and racial lines since students would not be required to attend neighborhood schools.

-Vouchers would provide the financial means for children from poor families to gain access to the private institutions from which they were previously excluded.

-Vouchers would provide financial support to nonpublic schools, relieving their clientele of the burden of paying tuition twice: Once in support of public schools through tax dollars, and then to the nonpublic schools in which they have enrolled their child.

Opponents of voucher proposals counter with the following arguments:

-Vouchers might destroy the public school system.

-Vouchers might lead to diseconomies of scale. Schools in competition for students could lead to increased per pupil costs, resulting in a loss in efficiency of use of education resources.

-Parents not sufficiently informed about school programs may choose a school on the basis of advertisement rather than quality.

-Vouchers might lead to the socioeconomic fragmentation in society against which the public school system in the U.S. has been devised in the first place.

-A shift from public to private or to mixed public-private schooling could result in idle physical plant and equipment in the public sector. This could be expensive for taxpayers.

-A voucher system which contained all the necessary safeguards to prevent discrimination would be extremely difficult to manage administratively.

Vouchers raise a series of difficult questions. For example, one of the more important arguments that opponents employ against voucher plans is that such plans are likely to have an adverse impact on efforts to achieve racial and economic integration of students. One can see the problem in theory. Vouchers are designed to increase parental choice among educational alternatives. The goal of integration on the other hand, is likely to be met only through the enforcement of enrollment ratios and compulsory busing. Voucher

supporters suggest, however, that safeguards sufficient to prevent discrimination could be built into any voucher scheme (note the "regulated compensatory model" put forth by Jencks). But the theoretical contradiction remains. If schools are to compete effectively in the open market, they must remain free of government regulation that could impair their ability to respond to market pressures. Yet, it would be naive to ignore the fact that some parents will prefer schools that discriminate among applicants on the basis of race and economic status. Clearly then, some control of school policies would be necessary if such discrimination is to be prevented.

There is also the question of scale. How large must a voucher system be if it is to achieve its desired objectives? A voucher scheme established in a small homogeneous setting might not produce the range of alternatives necessary to provide adequate choice. A larger area with a more heterogeneous population may be more suitable for a voucher system. In relation to integration, large size has its advantages. But at the same time, large scale has certain problems associated with it. Designing a transportation system to accomodate the massive traffic of students attending schools throughout an urban area could be difficult and expensive. While most voucher proposals speak to the need for free and adequate transportation, no proposal has included a detailed plan for providing it.

The availability of alternatives is itself, an important question. The absence of alternatives undermines the entire voucher approach. Can it be expected that the mere establishment of a "competitive market" will be sufficient to stimulate investment in new alternative schools? It is not clear that such alternatives exist within most

school districts today. This was a problem with the Alum Rock experiment where mini-programs were established within existing public schools in an attempt to provide greater diversity. Unless new alternative schools developed rapidly or existing schools expanded rapidly, choice would be severely limited. It might be necessary for example, to provide incentives in the private sector to encourage entrepeneurs to invest in the education market. They would have to be assured that their return on investment would equal or surpass the economic benefits which could be realized elsewhere. Existing voucher models point to the new and expanded range of alternatives that would be available to parents and students, but do not include mechanisms to assure that these alternatives develop.

Legal questions surface if and when public dollars are made available to nonpublic schools. In 1972, the New York legislature passed into law, three programs that offered some financial relief to nonprofit elementary and secondary schools. One program was to provide direct grants ranging from $30 to $50 to qualifying nonpublic schools for maintenance and repair of facilities. Another program established a tuition reimbursement plan for parents of children in nonpublic schools. The third program was tax relief measure for parents not qualifying for the tuition reimbursement. This legislation was subsequently challenged in the courts.*

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*Committee for Public Education and Religious Liberty v. Nyquist, 413 U.S. 774.

In June of 1973, the district court held in the Nyquist case that the maintenance and repair grants and the tuition grants were

unconstitutional, being in violation of the Constitution's Establishment Clause. The court based its decision on three tests. Nonpublic school aid must (1) reflect a clearly secular legislative purpose, (2) have a primary effect that neither advances nor inhibits religion, (3) avoid "excessive" government entanglement with religion. The New York legislation passed the first test, but failed the second because it was said to subsidize directly the religious activities of church-affiliated elementary and secondary schools.* The income tax relief provision was also struck down by the court on the grounds that no attempt was made to confine it to the secular aspects of nonpublic schooling.

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*In 1973, approximately 700,000 students attended nonpublic schools in New York. The court noticed that approximately 85 percent of these schools were church-affiliated.

These same tests were applied in the more recent court decision in New Jersey. In 1976, the New Jersey legislature passed a law offering a $1,000 per child tax deduction for tuition paid to private elementary and secondary schools as well as colleges and universities. Since then, the law has been a three-time loser in the courts.

In sum, it is clear that vouchers raise a number of important questions. There are legal questions concerning the church-state relationship. There are civil rights questions related to integration and the provision of equal educational opportunity. Finally, questions arise as to certain fundamental aspects of proposed voucher plans. This probably explains why few experiments with vouchers have occurred and why none of them have developed into permanent methods of financing

education. This is not to say that education vouchers cannot be a viable alternative to more traditional funding methods, but only that a number of issues remain unresolved which seriously affect their implementation.

Appendix

Seven Alternative Education Voucher Plans

1. Unregulated Market Model. The value of the voucher is the same for each child. Schools are permitted to charge whatever additional tuition the traffic will bear.

2. Unregulated Compensatory Model. The value of the voucher is higher for poor children. Schools are permitted to charge whatever additional tuition they wish.

3. Compulsory Private Scholarship Model. Schools may charge as much tuition as they like, provided they give scholarships to those children unable to pay full tuition. Eligibility and size of scholarships are determined by the EVA, which establishes a formula showing how much families with certain incomes can be charged.

4. The Effort Voucher. This model establishes several different possible levels of per pupil expenditure and allows a school to choose its own level. Parents who choose high expenditure schools are then charged more tuition (or tax) than parents who choose low-expenditure schools. Tuition (or tax) is also related to income, in theory the "effort" demanded of a low income family attending a high-expenditure school is the same as the "effort" demanded of a high income family in the same school.

5. "Egalitarian" Model. The value of the voucher is the same for each child. No school is permitted to charge any additional tuition.

6. Achievement Model. The value of the voucher is based on the progress made by the child during the year.

7. Regulated Compensatory Model. Schools may not charge tuition beyond the value of the voucher. They may "earn" extra funds by accepting children from poor families or educationally disadvantaged children. (A variant of this model permits privately managed voucher schools to charge affluent families according to their ability to pay.)

Source: Education Vouchers: A Preliminary Report on Financing Education by Payments to Parents, Center for the Study of Public Policy Cambridge, Mass.: March 1970, p. 20.

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